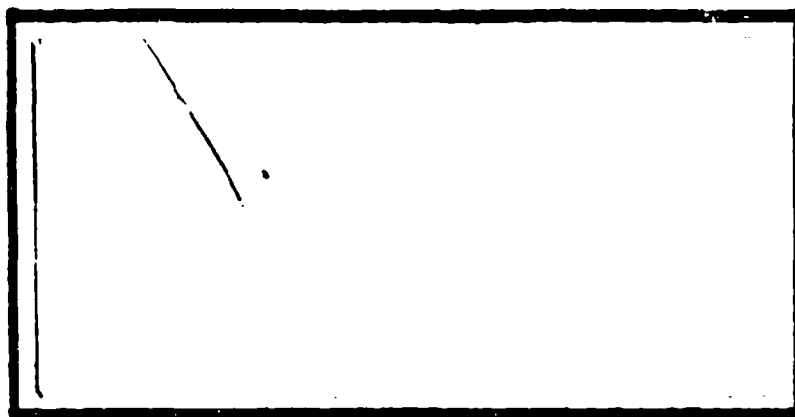


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AN ANALYSIS OF THE  
BIENNIAL BUDGET PROCESS

THESIS

Luvenia M. Shuman, B.S.  
Captain, USAF

AFIT/GLM/LSY/888-66



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AN ANALYSIS OF THE BIENNIAL BUDGET PROCESS

THESIS

Presented to the Faculty of the School of Logistics  
of the Air Force Institute of Technology

Air University

In Partial Fulfillment of the  
Requirements for the Degree of  
Master of Science in Logistics Management

Luvenia M. Shuman, B.S.

Captain, USAF

September 1988

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## Preface

This research effort was undertaken to analyze a federal biennial budget process from a congressional viewpoint. The focus of this thesis centered on the informed opinions of the staffers and defense analysts involved in the spending portions of the federal budget process. The intent of the thesis was to examine the reasons for considering the adoption of a biennial budget process and explore possible advantages and disadvantages associated with such a change. This report represents the views of the author and does not necessarily represent the official position of the Air Force or the Department of Defense. A glossary is included at Appendix A for those readers not familiar with some of the technical budgeting terms used in the thesis.

I would like to express my sincere appreciation to Dr. Anthony D'Angelo, my thesis advisor, whose knowledge and experience greatly enhanced the development of this thesis. Additionally, I would like to thank the Air Force Legislative Liaison Office, especially Major Howard Williamson, whose assistance made this research possible.

Luvenia M. Shuman

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## Abstract

✓ This research analyzed a federal biennial budget process from a congressional viewpoint. The thesis examined the reasons for considering the adoption a biennial budget process and explored possible advantages and disadvantages associated with a biennial budget process.

A literature search was performed to outline the budget process prior to consideration of a biennial budget process, to determine the original purpose and support for the requirement of a biennial budget submission, and to describe some of the alleged advantages and disadvantages associated with a biennial budget process. A structured interview questionnaire was developed from the information gathered during the literature review. Experts in the field were identified and interviews arranged with the assistance of the Air Force Legislative Liaison Office. A total of 16 interviews were conducted over a five day period in Washington, DC during May 1988. The informed opinions of the committee staffers and defense analysts involved in the spending portions of the federal budget process were used to indicate the congressional viewpoints on federal biennial budgeting. KPI ←

Analysis of the interviews resulted in several interesting conclusions:

1. The interviewees were not aware of the specific impacts on budget execution caused by the funding delays biennial budgeting was attempting to correct.
2. The interviewees were not certain that biennial budgeting would correct the two major causes of the budget delays (as ranked in the research).
3. The interviewees were not certain that the expected advantages and disadvantages of biennial budgeting would be realized.

As a result of this analysis, recommendations are made that further research is appropriate to determine what specific impacts are caused by funding delays and the exact cause of the funding delays.

## AN ANALYSIS OF THE BIENNIAL BUDGET PROCESS

### I. Introduction and Methodology

#### General Issue

"Every year, the budget seems to get more attention. Members of Congress frequently complain it takes too much time" (2). Senator John Glenn, Chairman of the Senate Committee on Governmental Affairs, said in his opening statement during a hearing on budget reform before that committee:

There is no question that the budget process is frustrating. We spend a great deal of time on the budget, yet we routinely miss deadlines, and the deficits remain large. We exert a tremendous amount of effort to allocate resources fairly and efficiently, yet most members complain that we are not making the right choices. Indeed, a recent survey by the Center for Responsive Politics suggests that as many as two-thirds of our colleagues here in the Senate believe that the current budget process has weakened their respective Committee's ability to make policy (21).

The budget process has received more public attention as national concern mounts over the federal budget deficit. The federal budget serves as a statement of national priorities and a financial plan for an upcoming year. There are three primary concerns with the current budget process: (1) federal spending has continued to increase; (2) the budget process has consumed an increasing amount of

congressional time, which leaves less time for other issues; and (3) budget deadlines are increasingly missed (11).

#### Specific Problem Statement

While there is agreement that the process could be improved, there is no consensus on what changes are needed and how they should be implemented. One suggested reform is a biennial (two-year) budgeting process. In the fiscal year (FY) 1986 Department of Defense (DOD) Authorization Bill, Congress required the DOD to submit a biennial budget request for fiscal years 1988-1989 and every two years thereafter. Congress required the DOD biennial budget request (on a test basis) to improve the congressional budget process performance of completing budget bills before the start of the fiscal year.

The DOD has prepared one biennial budget (1988-1989) and is in the process of preparing the 1990-1991 biennial budget. However, total congressional support (authorization and appropriation) for approval of a two-year budget process is lacking.

While the Senate Armed Services Committee reported a bill that authorized over half of the FY 1989 defense budget in addition to the FY 1988 program, the House Armed Services Committee proposed only an annual authorization bill. Although the resulting authorization legislation authorized nearly two-thirds of the FY 1989 request, that authorization was contingent on the enactment of the associated appropriations. Those appropriations were not forthcoming (21).

Since Congress did not approve the 1988-1989 biennial budget request, this research only examined the reasons for enacting the requirement for a biennial budget submission and the future of biennial budgeting based on selected congressional staff interviews. The research did not address the actual effects of executing a biennial budget since a comparative analysis could not be performed.

#### Research Questions and Objectives

The following questions were addressed through a literature review:

1. What was the budget process prior to enactment of the biennial budget process for DOD?
2. What advantages and disadvantages were perceived to be associated with a biennial budget process?
3. What was the original purpose for requiring a biennial budget submission for DOD? Who supported this biennial budget process?

The following questions were addressed through structured personal interviews of selected congressional staff personnel:

4. What is the extent of congressional support for complete implementation of the biennial budgeting process?
5. What advantages or disadvantages of biennial budgeting are expected in the future?
6. What is the future of biennial budgeting in general and specifically DOD biennial budgeting?

## Methodology

Current proposals for transition to a biennial federal budget surfaced beginning around 1981 [21]. Since that time many articles, reports, and studies have reviewed and reported the various issues surrounding the implementation of a biennial budget enactment process. This historical material on the purpose and background of the biennial budget was gathered during the literature review.

The literature review identified current information on the subject in order to avoid recreating existing knowledge. The information gathered provided a basis for constructing a structured personal interview to address the research questions. With the assistance of the Air Force Legislative Liaison Office, 16 interviewees were identified and interview arrangements were made. A structured personal interview was used to gather authoritative views on the future of biennial budgeting from this small sample of selected congressional staffers.

Purposive judgmental sampling techniques were used to select individuals for the structured personal interview. Individuals were selected based on data gathered during the literature review and current congressional committee staff positions. The spending portion of the federal budget process involves three types of congressional committees--budget, authorization, and appropriation committees. Therefore, staffers from each of these

committees were selected based on positions held in the major committee or appropriate defense subcommittee. Additionally, defense analysts from the congressional research organizations were selected to obtain a broader perspective.

The structured personal interview was chosen because the biennial budget process, although required of DOD, was not completed by congressional authorization and appropriation. Therefore, a review of the actual process in operation could not be accomplished. Collecting data of this type then required either a personal interview, telephone interview, or mailed survey approach (7). The structured personal interview was selected in order to obtain current information from the primary source, the Congress of the United States.



## II. Literature Review

This chapter addresses Research Questions 1, 2, and 3. The chapter outlines the budget process prior to consideration of a biennial budget process, discusses the original purpose and support for the requirement of a biennial budget submission, and describes some of the advantages and disadvantages associated with a biennial budget process.

### The Federal Budget Process

The federal government receives appropriated monies from Congress through an annual process involving three congressional committees--the budget, authorization, and appropriation committees. The budget committees, created by the Congressional Budget and Impoundment Act of 1974, "focus on the Federal budget as a whole and how it affects the national economy" (28:2). "The authorizing committees review and authorize specific programs for annual, multiyear, or indefinite periods, followed by the appropriation committees which determine spending levels to accompany these authorized programs" (15:25).

Prior to the 1974 Budget Control Act, Congress rarely focused on the total aggregates, devoting little or no time to revenues, outlays, or deficits. The 1974 Budget Act was a complete budget reform designed to provide a more timely

and orderly approach to the federal budget process. The Act changed the start of the fiscal year from 1 July to 1 October to allow sufficient time for the new budget process (see Figure 1); created the Congressional Budget Office (CBO) to provide nonpartisan economic and program analysis; and as mentioned above, created the House and Senate Budget Committees to provide the corporate approach to budgeting (20:2,15:25).

The timetable established firm dates for key elements of the budget process because certain parts of the process cannot move ahead unless other actions are completed (3,5:42-43). "In short, the four main phases of the budget process (authorizations, budget resolutions, spending measures, and reconciliations) must be completed by the date assigned to them" (5:43). However, even with the new timetable established by the 1974 Budget Control Act Congress still missed many of its deadlines (see Figure 2 for an example).

#### Gramm/Rudman/Hollings Law

On December 12, 1985, President Reagan signed into law the Balanced Budget and Emergency Deficit Control Act of 1985, commonly referred to as the Gramm-Rudman-Hollings (GRH) bill (4:13). The principal purpose of this legislation was to reduce the deficit. The law was also intended to provide Congress with a revised timetable for passing the budget bill (see Figure 3).

**THE CONGRESSIONAL BUDGET PROCESS UNDER THE  
1974 BUDGET CONTROL ACT**

<b><u>DATE</u></b>	<b><u>EVENT</u></b>
Nov 10	President submits current services budget.
15th Day after Congress meets	President submits his budget.
Mar 15	Committees and joint committees submit reports to Budget Committee.
Apr 1	Congressional Budget Office submits report to Budget Committees.
Apr 15	Budget Committees report first concurrent resolution on the budget to their Houses.
May 15	Committees report bills and resolutions authorizing new budget authority.
Labor Day + 7 days	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
Sep 15	Congress completes action on second required concurrent resolution on the budget.
Sep 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
Oct 1	Fiscal year begins.

Figure 1. The Budget Enactment Process (1:8)

**DATES OF ENACTMENT**  
**DEPARTMENT OF DEFENSE APPROPRIATION ACTS**  
**FY 1971 - FY 1986**

<u>Fiscal Year</u>	<u>Effective Date</u>	<u>Number of Months Into Fiscal Year</u>
<b>FY Beginning 1 July:</b>		
1971	11 Jan 71	7
1972	18 Dec 71	6
1973	26 Oct 72	4
1974	2 Jan 74	7
1975	8 Oct 74	4
1976	9 Feb 76	8
<b>FY Beginning 1 October (see note):</b>		
1977	22 Sep 76	-
1978	21 Sep 77	-
1979	13 Oct 78	1
1980	21 Dec 79	3
1981	15 Dec 80	3
1982	29 Dec 81	3
1983	21 Dec 82	3
1984	8 Dec 83	3
1985	12 Oct 84	1
1986	9 Dec 85	3

**Note:** Fiscal Year changed from 1 July through 30 June to 1 October through 30 September.

**Figure 2. DOD Appropriation Enactment Dates (18:4,8,16:7)**

**BUDGET PROCESS TIMETABLE: FISCAL YEARS 1989-1993**  
**Budget Timetable under GRH (as amended)**

<u>DATE</u>	<u>EVENT</u>
1st Mon. after Jan 3	President submits budget to Congress.
Feb 15	CBO issues annual report to Budget Committees.
Feb 25	Committees submit views and estimates to Budget Committees.
Apr 15	Congress completes budget resolution.
Jun 10	All House appropriation bills are reported.
Jun 15	Congress completes reconciliation.
Jun 30	House completes action on appropriations.
Jul 15	President submits mid-session budget report.
Aug 15	OMB and CBO estimate deficit for upcoming fiscal year. Presidential notification regarding military personnel.
Aug 20	CBO issues its initial report to OMB and Congress.
Aug 25	OMB issues its initial report to President and Congress. President issues initial sequester.
Sep 6	Deadline for President's explanatory message on initial order.
Oct 10	CBO submits revised report to OMB and Congress.
Oct 15	OMB issues its revised report to President and Congress. President issues final sequester order, effective immediately.
Oct	Congressional alternative to presidential order, if any, developed and adopted.
Oct 30	Deadline for President's explanatory message on final order.
Nov 15	Comptroller General compliance report issued.

Figure 3. The Budget Enactment Process Under GRH (20:26)

Gramm-Rudman-Hollings established maximum deficit limits which the President and Congress must follow. If unable or unwilling to agree on a budget plan within these deficit limits, then sequestration would occur. Sequestration is:

...the process created by the Balanced Budget and Emergency Deficit Control Act to cut spending automatically if Congress and the president do not enact laws during the year to reduce the deficit to the maximum deficit amount for that year (4:164).

However, despite the revised schedule, Congress has still been unable to meet the deadlines of the budget process. James L. Blum, Acting Director of the Congressional Budget Office, in his statement before the Committee on Governmental Affairs stated:

A number of criticisms can be made about current budget procedures in the Congress. One criticism is that budget actions are not completed on time. Deadlines for completion of the budget resolution, consideration of authorizing legislation, and enactment of appropriation bills have frequently been missed. When these budget actions are late, agencies are prevented from carrying out programs most effectively (21).

Each year, the 12 months allocated for execution is reduced by the continued late passage of the appropriation acts (see Figure 2).

A past researcher, Robert Koehler, determined that "...Defense appropriations are more vulnerable to partisan politics than many of the social programs that are relatively 'fixed' in cost and amenable to drastic cuts" (10:3). The President's Blue Ribbon Commission on Defense Management in their June 1986 report stated that

congressional review of the defense budget has shifted from oversight based on operational concepts and military effectiveness toward financial action on individual items (14:16,9:88-90).

During the review of the 1985 defense budget, for example, Congress made changes to over 1,800 separate defense programs and directed the Department to conduct 458 studies ranging from the feasibility of selling lamb products in commissaries to the status of retirement benefits for Philippine scouts (14:16).

As a result of this micromanagement, defense managers are faced with numerous congressional changes to program spending levels late in the budget formulation process. The inabilities of Congress to meet the schedules led to sequestration in 1986.

In March 1986, the sixth month of the fiscal year, the Defense Department was forced to take a 4.9 percent reduction in each of almost 4,000 programs, projects, and activities, for a total cut of \$13.6 billion in budget authority and \$5.2 billion in outlays. These across-the-board, automatic cuts allowed no analysis or management judgment to be exercised about priorities or about their effect on defense programs and forces (14:17).

### Biennial Budgeting

Numerous studies have reviewed the faults with the current budget system. Suggested changes to the federal budget system have varied with the nature and extent of the problems identified. One such change, a biennial federal budget system, was formulated based on positions such as this one from Senator Wendel H. Ford:

The time has come for us to accept the realities that in our complex modern society, government

economic planning, budgeting, and appropriations simply cannot be done constructively in a twelve month period [3:4].

In the fiscal year 1986 DOD Authorization Bill, Congress required the DOD to submit a biennial budget request for fiscal years 1988-1989 and each two year period thereafter. An analysis, by Alice Maroni of the Congressional Research Service, on the effects of a biennial defense budget authorization contained the following statement:

While interest in biennial budgeting among those in Congress and the executive branch is not new and some Federal programs are currently authorized on a two-year cycle, this budget reform effort has been prompted largely by a growing concern in Congress about the adequacy of current legislative procedures for defense oversight and policy review (12:1).

#### Advantages of Biennial Budgeting

Many researchers believe that biennial budgeting will improve the budget process, but will not cure all of its problems. Some of the potential advantages identified by DOD include:

1. Additional time for management review and oversight of the budget,
2. Greater fiscal stability in the budget,
3. A shift of focus toward broader policies, and
4. Elimination of funding delays (6:2).

Other advantages were pointed out by John J. Rhodes, Co-Chairman of the Committee for a Responsible Federal Budget, in his statement to the Senate Committee on Governmental Affairs June 1988 hearing on budget reform.



There is no reason to revisit each and every decision necessary to run a trillion dollar enterprise each and every year. Biennial budgets and biennial appropriations would provide a longer and more certain planning horizon, they should lead to increased efficiency in government, they certainly would help to rationalize Congressional decision-making, and they should provide a better basis for evaluation of the effectiveness of government services and programs (21).

Other researchers have stated the advantages of the additional time provided by a biennial budget in other terms:

1. The major advantage of biennial budgeting is its ability to promote stability by providing additional time to do a better job (14:19). The time should be used "to think through military planning options, to evaluate results of current and prior-year execution of the defense budget, and to ensure that each phase of the cycle has the attention needed" (14:19).

2. The additional time provided by biennial budgeting could be used to conduct a more logical and systematic review of all legislation as well as budget legislation (18:8).

3. Although biennial budgeting would be just another timetable that Congress would have to follow, it is a process in which there is time for each step (17:21).

#### Disadvantages of Biennial Budgeting

Economic Forecasts. As stated before, biennial budgeting is not considered to be a cure-all solution to the problems of the budget process. Opponents of biennial

budgeting claim that budgeting for two years would not be practical, given the changes in the economic and political conditions (15:27).

Budget planners are currently required to make economic projections at least eighteen months in advance; a biennial budget would require that assumptions be made as much as thirty to thirty-six months ahead. This increase in lead time is likely greatly to reduce the quality of the economic forecasts [1:47].

Increasing the time period for which budget estimates were developed would increase the need to revise the budget plans due to unforeseeable events during execution (17:36).

Budget Flexibility. Another argument against biennial budgeting is the reduction in budget flexibility. An annual budget provides the ability to respond more rapidly to changing conditions.

Certainly, a biennial process would have to include procedures for making changes to the initial budget. The danger is that routine procedures, such as supplementals and amendments, would not provide sufficient flexibility to the Administration, that such procedures would be too slow and cumbersome and, as a result, opportunities could be lost and unnecessary costs incurred [6:3].

Opponents also claim that the number of these revisions or supplementals could increase so as to reduce the biennial budget system to an annual process (1:45-46).

Additional Time. Opponents of the biennial budgeting process also contend that a two-year budget process would not increase the efficiency of the system by providing more time.

...many observers believe that expanding the budget cycle from one to two years would probably not solve Congress's budget problems. Delays are caused, they argue, not by the process but by the decisions that have to be made. The choices Congress faces are extremely difficult, and opponents fear that debate on those choices will be extended to fill whatever time is available [1:47].

The additional time would be used by Congress to increase the micromanagement and thus further degrade efficiency. (15:27).

Timetable. Finally, another disadvantage of biennial budgeting is the difficulty of establishing an appropriate timetable for the key actions in the budget process.

Opponents and proponents of a two-year budget cycle both concede that there are major difficulties in scheduling budget resolutions under a two-year budget cycle, especially when a single budget resolution is used.

If the budget resolution is scheduled early in the cycle, newly elected officials will have to produce a budget for two years soon after entering office...

Placing a budget resolution later in the cycle would also create problems. Newly elected congressmen and presidents would have to wait an extra year before they could make changes in the budget, changes many of them campaigned to make... [1:46-47]

#### The 1987 Budget Summit

In November 1987, the President and the joint leadership of the Congress met to reach an agreement on the deficit reduction amounts. The Budget Summit Agreement resulted in the appropriation for fiscal year 1988 and a "floor/ceiling" total for fiscal year 1989. In one sense, this agreement could be considered to be a de facto two-year

budget process. Senator Don Nickles, a member of the Senate Budget Committee, in his statement to the Senate Committee on Governmental Affairs June 1988 hearing on budget reform stated:

It was the Budget Summit Agreement last year that technically gave us our first biennial budget. We now find ourselves nearly on schedule with the budget process.

With a two-year budget cycle in place, Congress could spend every other year carefully examining entitlement programs and weeding out wasteful spending in all areas of the budget.

I am aware of the efforts of Senators Ford and Roth in the drafting of a bipartisan bill that would provide for a two-year budget cycle [21].

### III. Results

This chapter presents the information collected by the interview questionnaire. Three general areas of results were obtained from the interviews: background information of the interviewees, interviewees' experience and opinions on problems with an annual budgeting system, and interviewees' opinions on recommended solutions for the problems, specifically biennial budgeting - its perceived advantages, disadvantages, and future.

#### Interview Conduct

The primary device used to gather data from the interviewees was an interview questionnaire based on a review of current literature (see Appendix B - Interview Questionnaire). The interview questionnaire was developed for congressional committee staff members and defense analysts involved in the federal budget process (see Appendix C for a list of interviewees).

A total of 16 interviews were conducted. All three committees involved in the spending portion of the federal budget process were represented as well as the Congressional Budget Office and the Congressional Research Service. All interviews were conducted in Washington, DC from 23 through 27 May 1988. All interviews took place in the interviewee's office. The average time to conduct each interview was about 1 hour.

### Background Information

Background material regarding the position, experience and general aspects of the interviewees' jobs was gathered. Individuals interviewed averaged 7.3 years of congressional experience, with a range of 1 to 13 years, and 8.4 years of budgeting experience, with a range of 1 to 15 years (see Tables 1 and 2 for a breakout by committee/organization).

Table 1. Interviewees' Congressional Experience

Committee/Organization	Range	Mean	Number of Interviewees
Appropriations Committees	5	5.0	2
Armed Services Committees	7-13	10.3	3
Budget Committees	1-12	5.2	6
Congressional Budget Office	7-12	10.0	3
Congressional Research Service	4-8	6.0	2
Overall	1-13	7.3	16

Table 2. Interviewees' Budgeting Experience

Committee/Organization	Range	Mean	Number of Interviewees
Appropriations Committees	7-15	11.0	2
Armed Services Committees	7-12	10.3	3
Budget Committees	1-10	5.5	6
Congressional Budget Office	7-15	12.3	3
Congressional Research Service	4-8	6.0	2
Overall	1-15	8.4	16

### Problems Perceived to be Most Important

It was necessary to establish a baseline for discussion with the interviewees by identifying the problems they perceived to be most important in causing the delays in the current annual budgeting process. Thus, the interview could be directed toward discussing corrections of the causes of the delays in the federal budget process rather than their symptoms. Therefore, the interviewees were asked to discuss certain problems identified in the literature review which were associated with the untimely completion of an annual federal budget.

Budget Delays. Question 1 in the questionnaire asked interviewees to rank order the following seven problems that current literature and comment had identified as having the most inhibiting effect on the timely completion of the annual federal budget:

1. The congressional workload is too heavy for an annual budget process.
2. The budget process is too complex.
3. The attachment of riders on appropriation bills delays the enactment process.
4. There is not enough time for budget review.
5. Authorization and appropriation committees jurisdictions overlap.
6. There is not enough time for oversight.
7. Congressional review is done on a programmatic budgetary detail level versus a strategic or mission oriented policy level.

Individuals were asked to rank order the problems, based on their experiences, in the order of most negative impact on timely completion of the budget and to include any additions as appropriate. By allowing the interviewees to make additions, the interview also identified any problems not uncovered in the literature search but considered by the interviewees to be important based on their experience with the federal budget process. This allowance of extension resulted in one additional problem being identified by the interviewees as having a negative impact on the timely completion of the budget. Although stated differently by each interviewee who added it to the list of problems, it can be best summarized by the following statement:

There is a lack of consensus between the Administration and the Congress on national priorities.

The interviewees identifying this problem felt the budget delays were primarily caused by the disagreements over individual program spending levels and associated deficit reduction, and not necessarily by a process defect.

Using a weighted value technique, point values were assigned for each of the problems including the addition on the following basis:

1. Eight points for each time a problem was selected most important.
2. Seven points for each time a problem was selected second most important.
3. Six points for each time a problem was selected third most important.



4. Five points for each time a problem was selected fourth most important.
5. Four points for each time a problem was selected fifth most important.
6. Three points for each time a problem was selected sixth most important.
7. Two points for each time a problem was selected seventh most important.
8. One point for each time a problem was selected eighth most important.
9. Zero points for each time a problem was selected as having no impact.

Total points for each of the problems were calculated and are shown in Table 3.

**Table 3. Problems Perceived as Most Important  
by Interviewees**

Problem	Total Points
1. There is a lack of consensus between the Administration and Congress on national priorities.	95
2. Authorization and appropriation committees jurisdictions overlap.	64
3. The congressional workload is too heavy for an annual budget process.	58
4. The budget process is too complex.	55
5. The attachment of riders on appropriation bills delays the enactment process.	43
6. Congressional review is done on a programmatic budgetary detail level versus a strategic or mission oriented policy level.	41

(continued)

Table 3. Continued

<u>Problem</u>	<u>Total Points</u>
7. There is not enough time for budget review.	26
8. There is not enough time for oversight.	24

Budget Execution. Question 5 of the interview questionnaire asked interviewees to discuss any major impacts on the budget execution when Congress does not pass the budget on time. Eight of the 16 interviewees felt there was little, if any, impact on budget execution due to delays in the budget enactment. The interviewees reasoned that the DOD and other agencies were familiar with the budget process and were acquainted with the steps necessary to continue operations.

The remaining eight of the 16 interviewees felt the following impacts on budget execution probably occurred due to delayed passage of the budget but were aware of no specific examples:

1. The lack of specific knowledge regarding obligation authority constraints causes inefficient contracting.
2. Continuing resolutions increase the amount of paperwork.

3. The uncertainty disrupts program management and planning.
4. Program instability reduces accountability.

In summary, in the informed opinion of the interviewees, Congress is unaware of specific impacts on budget execution caused by funding delays.

#### Biennial Budgeting as a Solution

A two-year budget cycle would have far-reaching effects on the budget process. There is disagreement on whether it would make better use of congressional time, on its impact on budget control and on whether it can be correlated accurately with economic conditions [1:45].

Advantages. Question 9 of the interview questionnaire asked interviewees to evaluate some possible advantages of biennial budgeting. Interviewees were asked to determine whether the following advantages of a biennial budget could be realized if Congress adopted a biennial budget process:

1. Additional time for review and oversight
2. Greater fiscal stability in the budget
3. Shift of focus toward broader policies
4. Elimination of funding delays and funding gaps

Table 4 summarizes the interviewees' responses regarding the above advantages.

**Table 4. Interviewees' Perceptions of Possible  
Advantages of Biennial Budgeting**

Will the Following Advantage be Realized?	<u>Responses</u>		
	Yes	No	Maybe
<b>1. Additional time for review and oversight</b>			
Appropriations Committees	2	0	0
Armed Services Committees	3	0	0
Budget Committees	3	0	3
Congressional Budget Office	1	0	2
Congressional Research Service	0	0	2
Overall	9	0	7
<b>2. Greater fiscal stability in the budget</b>			
Appropriations Committees	1	1	0
Armed Services Committees	3	0	0
Budget Committees	4	2	0
Congressional Budget Office	1	1	1
Congressional Research Service	0	0	2
Overall	9	4	3
<b>3. Shift of focus toward broader policies</b>			
Appropriations Committees	0	1	1
Armed Services Committees	3	0	0
Budget Committees	1	0	5
Congressional Budget Office	0	1	2
Congressional Research Service	0	0	2
Overall	4	2	10
<b>4. Elimination of funding delays and funding gaps</b>			
Appropriations Committees	0	0	2
Armed Services Committees	2	0	1
Budget Committees	2	2	2
Congressional Budget Office	0	1	2
Congressional Research Service	0	0	2
Overall	4	3	9

Disadvantages. Questions 7, 8, 11, 12, 13, and 14 of the interview questionnaire asked interviewees to discuss some possible disadvantages of biennial budgeting.

Timetable/Form. Questions 7, 8, 11, and 14 of the interview questionnaire referred to the form of a biennial budget if adopted by Congress.

Question 7 and 14 asked the interviewees to describe and discuss their perception of a biennial budget process. The interviewees' descriptions of their concept of a biennial budget process are summarized in Appendix D.

Question 8 of the interview questionnaire asked the interviewees if they felt a biennial budget as described by the DOD would be enacted by Congress. A report from the Office of the Assistant Secretary of Defense (Comptroller) defined the biennial budget process as:

...one in which the Congress considers a budget request and enacts legislation providing authorizations and appropriations for two fiscal year periods prior to the first year of this two-year cycle [7:1].

Table 5 summarizes the interviewees' responses regarding the possibility of Congress adopting a biennial budget conforming to the DOD biennial budget process definition.

**Table 5. Interviewees' Opinions on the Adoption of a Biennial Budget Process as Defined by DOD**

Committee/Organization	Responses		
	Yes	No	Maybe
Appropriations Committees	0	0	2
Armed Services Committees	2	1	0
Budget Committees	0	5	1
Congressional Budget Office	0	1	2
Congressional Research Service	0	2	0
Overall	2	9	5

Question 11 of the interview questionnaire focused on the discipline of Congress to follow a timetable. The question asked the interviewees whether they felt Congress would conform to any timetable. Table 6 summarizes their responses.

**Table 6. Interviewees' Opinions on Whether Congress Can Conform to Any Timetable**

Committee/Organization	Responses		
	Yes	No	Maybe
Appropriations Committees	0	0	2
Armed Services Committees	3	0	0
Budget Committees	1	1	4
Congressional Budget Office	1	2	0
Congressional Research Service	2	0	0
Overall	7	3	6

Budget Flexibility. Questions 12 and 13 of the interview questionnaire referred to Congress's ability with an annual budget process to respond more rapidly to changing operational and economic conditions. Interviewees were asked if they felt that a biennial budget would reduce this needed flexibility. Table 7 summarizes their responses about flexibility.

Table 7. Interviewees' Opinions on Whether a Biennial Budget Would Reduce Budget Flexibility

Committee/Organization	<u>Responses</u>		
	Yes	No	Maybe
Appropriations Committees	1	1	0
Armed Services Committees	1	2	0
Budget Committees	0	5	1
Congressional Budget Office	0	1	2
Congressional Research Service	0	0	2
Overall	2	9	5

#### The Budget Summit

Question 10 of the interview questionnaire referred to the Budget Summit held at the end of 1987 which resulted in the appropriation for fiscal year 1988 and a "floor/ceiling" total for fiscal year 1989. The question was divided into two parts. The first part asked interviewees if they felt a similar arrangement could feasibly constitute a biennial budget. The interviewees' responses as to whether the

Budget Summit could be considered a model for biennial budgeting is summarized in Table 8.

**Table 8. Interviewees' Opinions on Whether the Budget Summit Was a Model for Biennial Budgeting**

Committee/Organization	Responses		
	Yes	No	Maybe
Appropriations Committees	2	0	0
Armed Services Committees	2	1	0
Budget Committees	5	1	0
Congressional Budget Office	1	2	0
Congressional Research Service	2	0	0
Overall	12	4	0

The second part of interview question 10 asked interviewees whether an arrangement similar to the Budget Summit could represent a feasible model for a joint resolution. These responses are summarized in Table 9.



**Table 2. Interviewees' Opinions on Whether the Budget Summit Was a Model for a Joint Resolution**

Committee/Organization	Responses		
	Yes	No	Maybe
Appropriations Committees	0	0	2
Armed Services Committees	2	1	0
Budget Committees	2	4	0
Congressional Budget Office	0	2	1
Congressional Research Service	2	0	0
Overall	6	7	3

#### Other Suggested Solutions

A summary of other suggested solutions to the problems discussed in the interviews is presented in Appendix D.

#### IV. Analysis and Discussion

This chapter provides the analysis and discussion of the results presented in Chapter III thus answering the research questions four through six presented in Chapter I. Each question is analyzed separately.

##### Research Question 4

What is the extent of congressional support for complete implementation of the biennial budgeting process?

Interview question 6 asked interviewees to discuss the purpose of the requirement for a DOD biennial budget request in the fiscal year 1986 DOD Authorization Bill. Ninety-four percent of the interviewees felt that the majority of the support for a biennial budget comes from the authorization committees. According to the interviewees, the appropriation committees at this time have no incentives to adopt a biennial budget process. The interviewees believed that the requirement for the submission of a biennial DOD budget request was intended, primarily by the Senate Armed Services Committee, to be an initial step and test as to whether the expected advantages and disadvantages would be realized. Additionally, the interviewees felt the authorizers realized that the transition from an annual process to a biennial process would take time and a significant amount of coordination.

The interviewees believed that there was little support for a biennial budget for DOD. Interview question 8 asked interviewees if they felt a biennial budget as described by the DOD would be enacted by Congress. Fifty-six percent responded no, 13% responded yes, and 31% responded maybe. Those interviewees that responded "no" felt that it would seem unfair to give multiyear funds to some programs and single year funds to others, because if there was a budget reduction the next year, then the single year programs would be cut.

Interview questions 1 and 2 asked the interviewees to rank and discuss the problems causing delays in the current annual budgeting system. (The results of the problem rankings are contained in Table 3.) Interview question 3 asked interviewees if a biennial budget would correct these problems. Interviewees did not believe that a biennial budget process would correct the two main problems with the current annual budgeting system which the interviewees ranked as the two most important:

1. There is a lack of consensus between the Administration and Congress on national priorities.
2. Authorization and appropriation committees jurisdictions overlap.

Seven of the sixteen interviewees felt that the remaining six problems, ranked 3 through 8, were only symptoms of the number one problem identified above (see Table 3). However, the interviewees did believe that a biennial budget process,

if strictly adhered to, would help correct the remaining six problems discussed if the two problems above were resolved.

#### Research Question 5

What advantages or disadvantages of biennial budgeting are expected in the future?

Advantages. Overall, interviewees did not believe that some of the expected advantages of adopting a biennial budget process were certain to result. Interview question 9 asked interviewees whether they believed certain expected advantages would be realized. As displayed in Table 4, all of the interviewees responded either yes (56%) or maybe (44%) that a biennial budget process would provide additional time for review and oversight of the budget. Interviewees also responded only slightly positive that a biennial budget would provide greater fiscal stability in the budget (56% yes, 19% maybe, and 25% no). Those interviewees responding "no" felt that Congress would not be able to strictly adhere to a biennial budget, and therefore, the fiscal stability would not be realized. Interviewees were uncertain as to whether a biennial budget would create a shift of focus toward broader policies (25% yes, 12% no, and 63% maybe) or eliminate funding delays and funding gaps (25% yes, 19% no, and 56% maybe).

Disadvantages. Interviewees were also uncertain as to whether some of the expected disadvantages of a biennial budget process would occur. For example, an annual

budget provides the ability to respond more rapidly to changing economic and political conditions. However, 56% of the interviewees did not believe that a biennial budget process would reduce the flexibility found in an annual budget process (see Table 7). These interviewees felt a biennial budget process could include procedures to allow for the needed budget flexibility. Only 13% responded that budget flexibility would be reduced, while 31% responded that budget flexibility might be reduced by a biennial budget process. Additionally, as shown in Table 6, the interviewees were uncertain as to whether Congress had the discipline to conform to any budget timetable, biennial or not (44% yes, 19% no, and 37% maybe). All of the interviewees agreed that scheduling a biennial budget process would be difficult because of conflicts with the election years.

#### Research Question 6

What is the future of biennial budgeting in general and specifically DOD biennial budgeting?

This year was an unusual year for the budget because of the Budget Summit. In November 1987, Congress passed the appropriation for fiscal year 1988 and set "floor/ceiling" aggregate totals for fiscal year 1989. Congress had the opportunity to evaluate a potential model for biennial budgeting through the Budget Summit. Interview question 10 asked the interviewees whether the budget summit could be

considered a model for biennial budgeting. As seen in Table 8, 75% of the interviewees responded "yes" that the Budget Summit could be viewed as a possible model for biennial budgeting. However, of the 12 interviewees responding "yes", 11 felt that the Budget Summit was not achieving the expected outcome. Twenty-five percent felt the Budget Summit was not a good model for biennial budgeting since Congress was pressured to act by the unexpected and hopefully not normal stock market crash of October 11, 1987.

Additionally, as stated above, the interviewees believed that there was little support for a biennial budget for DOD. Four interviewees elaborated stating that a biennial budget just for the DOD and not all of the federal budget would not be fair to other agencies. In situations where budget cuts were necessary in the second year of the DOD biennial budget, those agencies with an annual budget would suffer the budget cuts. The future of biennial budgeting will be discussed more in the next chapter.

## **Y. Conclusions and Recommendations**

This research effort was undertaken to analyze a federal biennial budget process from a congressional viewpoint. The focus of this thesis centered on the informed opinions of the staffers and defense analysts involved in the spending portions of the federal budget process. The intent of the thesis was to examine the reasons for considering the adoption a biennial budget process and explore possible advantages and disadvantages associated with a biennial budget process.

### **Review**

A literature search was performed to outline the budget process prior to consideration of a biennial budget process, discuss the original purpose and support for the requirement of a biennial budget submission, and describe some of the advantages and disadvantages associated with a biennial budget process. An interview questionnaire was developed from the information gathered during the literature review. Interviewees were identified and contacted with the assistance of the Air Force Legislative Liaison Office. A total of 16 interviews were conducted over a five day period in Washington, D. C. during May 1988.

Once the interviews were completed, the data was summarized by committee and organization. However, due to the small sample size, conclusions were not drawn by

committee or organization, but were used as an indication of the congressional viewpoint on federal biennial budgeting.

### Conclusions

**Reasons for a Biennial Budget.** As public concern over the federal budget deficit increased, Congress felt more pressure to complete the federal budget in a timely manner. The findings and analysis indicated that the requirement for a DOD biennial budget request was supported by the authorization committees as an initial step to test biennial budgeting as a possible solution for eliminating the delays in the federal budget process. However, the analysis indicated that the experts interviewed did not believe that biennial budgeting alone would eliminate the delays in the budget process. The findings further indicated that the experts interviewed believed that the two major causes of budget delays were:

1. There is a lack of consensus between the Administration and Congress on national priorities
2. Authorization and appropriation committees jurisdictions overlap.

However, these causes would not be corrected by biennial budgeting. Additionally, the findings and analysis indicated that Congress was not fully aware of the specific impacts that budget delays have on the Administration's execution of the budget. The specific impacts on execution



should also be considered in evaluating corrections for budget delays.

Possible Advantages and Disadvantages. The findings and analysis indicated that Congress was uncertain as to whether the expected advantages and disadvantages of a federal biennial budget process would be realized.

Advantages. The findings indicated that the interviewees believed that a biennial budget would provide additional time for budget review and oversight. However, the findings did not indicate that the interviewees were certain that a biennial budget would provide fiscal stability in the budget, create a shift of focus toward broader policies, or eliminate funding delays and gaps.

Disadvantages. The findings also indicated that the experts interviewed believed that scheduling a biennial budget process would be difficult because of the conflicts with terms of office, especially in the House of Representatives. However, the findings did not indicate that these experts were convinced that a biennial budget would reduce budget flexibility or that Congress could strictly adhere to a biennial budget.

These uncertainties were due largely to the political nature of the federal budget process. As shown in the literature review, congressional supporters of a federal budget process cited the above advantages and disadvantages for biennial budgeting. However, the findings and analysis

disclosed that these advantages and disadvantages would only be realized if Congress strictly adhered to the biennial budget. Additionally, as noted above, the interviewees identified a problem with the current annual budget process that was not emphasized in current literature - a lack of agreement on national priorities. Therefore, if this condition exists then "the process is not the problem; the problem is the problem" and no budget process reform will work, if the process is not the problem.

#### Recommendations.

As indicated by this research, Congress was not aware of the specific impacts on budget execution caused by the funding delays it was attempting to correct. The findings also indicated that Congress did not believe that biennial budgeting would correct the two major causes of the budget delays (as ranked in the research). Additionally, Congress was uncertain that the expected advantages and disadvantages of biennial budgeting would be realized.

Based on these conclusions, it is recommended that further research be performed to determine the specific negative impacts of the funding delays on the Administration's budget execution (both monetary and national defense related impacts). Given a significant impact on the budget execution, prior to the adoption of a biennial budget process, a more in-depth study should be

performed to determine the actual causes of the budget delays.

## Appendix A: Glossary

The following budget related technical terms were extracted from legislative and budget related documents. No attempt has been made to credit any individual source since these terms are common to the budget field. More exhaustive lists can be found in references 4, 19, 20, and 23.

### Appropriation

An authorization by an act of Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. An appropriation act is the most common means of providing budget authority, but in some cases the authorizing legislation itself provides the budget authority.

Appropriations do not represent cash actually set aside in the Treasury for purposes specified in the appropriation act: they represent limitations of amounts that agencies may obligate during the period of time specified in the respective appropriation acts. There are currently 13 regular appropriation acts under the jurisdiction of the House and Senate Committees on Appropriations.

### Authorization/Authorizing Legislation

Substantive legislation enacted by Congress that sets up or continues the legal operation of a Federal program or agency either indefinitely or for a specific period of time

or sanctions a particular type of obligation or expenditure within a program.

Authorizing legislation is normally a prerequisite for appropriations. It may place a limit on the amount of budget authority to be included in appropriation acts or it may authorize the appropriation of "such sums as may be necessary."

#### Authorizing Committee

A standing committee of the House or Senate with legislative jurisdiction over the subject matter of those laws, or parts of laws, that set up or continue the legal operations of Federal programs or agencies. An authorizing committee also has jurisdiction in those instances where backdoor (for example, entitlements) authority is provided in the substantive legislation.

#### Budget Authority

Authority provided by law to enter into obligations that will result in immediate or future outlays involving Federal Government funds, except that budget authority does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms of budget authority are appropriations, authority to borrow, and contract authority.

### Budget Deficit

The amount by which the Government's budget outlays exceed its budget receipts for a given fiscal year.

### Budget Resolution

A resolution passed by both chambers of Congress setting forth, reaffirming or revising the congressional budget for the U.S. Government for a fiscal year. A budget resolution is a concurrent resolution of Congress.

Concurrent resolutions do not require a presidential signature because they are not laws. Budget resolutions do not need to be laws because they are a legislative device for the Congress to regulate itself as it works on spending and revenue bills.

### Economic Assumptions

Estimates of how the national economy will behave. The four main economic assumptions that affect the budget are unemployment, inflation, interest rates, and growth in the gross national product.

### Outlays

Outlays are disbursements by the Federal Treasury in the form of checks or cash. Outlays flow in part from budget authority granted in prior years and in part from budget authority provided for the year in which the

disbursements occur. The term "expenditures" is frequently used interchangeably with the term outlays.

#### President's Budget

The document sent to Congress by the President in January of each year, requesting new budget authority for Federal programs and estimating Federal revenues and outlays for the upcoming fiscal year.

#### Reconciliation Process

A process in which Congress includes in a budget resolution "reconciliation instructions" to specific committees, directing them to report legislation which changes existing laws, usually for the purpose of decreasing spending or increasing revenues by a specified amount by a certain date. The reported legislation is then considered as a single "reconciliation bill."

Gramm-Rudman-Hollings provides for an accelerated form of reconciliation in the Senate as a method for developing a congressional alternative to a presidential reduction order.

#### Revenues

Collections from the public arising from the Government's sovereign power to tax. Revenues include individual and corporate income taxes, social insurance taxes, excise taxes, estate and gift taxes, customs duties and the like.

### Supplemental Appropriations

An act appropriating funds in addition to those in the 13 regular annual appropriations acts. Supplemental appropriations provide additional budget authority beyond the original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) in cases where the need for funds is too urgent to be postponed until enactment of the next regular appropriation bill.



**Appendix B: Interview Questionnaire**

**PART I: PERSONAL BACKGROUND & GENERAL INFORMATION**

**DATE:** \_\_\_\_\_ **PHONE #:** (\_\_\_\_) \_\_\_\_\_-\_\_\_\_\_

**GRADE/NAME:** \_\_\_\_\_

**JOB TITLE:** \_\_\_\_\_

**COMPLETE ADDRESS:** \_\_\_\_\_

**YRS CONGRESSIONAL EXPERIENCE:** \_\_\_\_\_ **YRS BUDGET EXP:** \_\_\_\_\_

**COMMITTEE STAFF POSITION(S)/YRS EXP:** \_\_\_\_\_

**PART II: QUESTIONS FOR CONGRESSIONAL PERSONNEL**

1. Current literature and comment identify the following as having the most inhibiting effect on the timely completion of the annual Federal Budget. As an experienced practitioner and/or observer of this annual event, your perception of their relative impacts is important toward understanding current proposals for budget reform, more specifically the adoption of a biennial budget cycle. In order to establish a baseline for the remainder of this interview, please rank the following in the order of negative impact on timely budget completion, using the number one to identify the item having the greatest negative impact and ascending for those having less negative impact. Please feel free to fill in other problems, if appropriate, ranking any additions in a similar manner.

The congressional workload is too heavy for an \_\_\_\_\_  
annual budget process.

The budget process is too complex. \_\_\_\_\_

The attachment of riders on appropriation \_\_\_\_\_  
bills delays the enactment process.

There is not enough time for budget review. \_\_\_\_\_

Authorization and appropriation committees \_\_\_\_\_  
jurisdictions overlap.

There is not enough time for oversight. \_\_\_\_\_

Congressional review is done on a programmatic \_\_\_\_\_  
budgetary detail level versus a strategic  
or mission oriented policy level.

\_\_\_\_\_  
\_\_\_\_\_

2. What specific impact do the problems you identified as most important have on the budget process?
3. What suggestion(s) do you have for correcting the problems you identified as most important?

4. Do you believe that a biennial budget process would help correct these problems? Please explain.
5. In the past 10 years, Congress has not met its own deadlines for enacting the federal budget. What do you believe to be the major impacts on the budget execution when Congress does not pass the budget on time?
6. In the fiscal year 1986 Department of Defense Authorization Bill, Congress required the Department of Defense to submit a biennial budget request for fiscal years 1988-1989 and thereafter.
  - a. What was the purpose for this requirement, since a two-year appropriation for Defense was apparently never considered? Please explain.
  - b. What advantages accrued from this arrangement? Please explain.
7. A biennial budget process can take various organizational and procedural forms. What is your perception of a biennial budget process?
8. A report from the Office of the Assistant Secretary of Defense (Comptroller) defined the biennial budget process as "one in which the Congress considers a budget request and enacts legislation providing authorizations and appropriations for two fiscal year periods prior to the first year of this two-year cycle". Do you believe a biennial budget process as described above will be enacted by Congress for the Department of Defense? Please explain.
9. Do you believe the following advantages of a biennial budget could be realized if Congress adopted a biennial budget process? Please comment on each.
  - a. Additional time for review and oversight
  - b. Greater fiscal stability in the budget
  - c. Shift of focus toward broader policies
  - d. Elimination of funding delays and funding gaps

10. The Economic Summit at the end of 1987 resulted in the appropriation for fiscal year 1988 and a "floor/ceiling" total for fiscal year 1989. This could be considered to be a de facto two-year budget process. Please comment.
- a. In your opinion, could a similar arrangement feasibly constitute a biennial budget? Please explain.
- b. The President has proposed that the Congress and the Executive collaborate on a joint resolution that sets out spending priorities within the receipts available. Could the above arrangement then be considered a feasible model for future considerations of a joint resolution? Please explain.
11. Opponents of a biennial budget process state that Congress will not conform to any timetable. Do you believe this to be true? Please explain.
12. An annual budget provides the ability to respond more rapidly to changing conditions. Do you believe a biennial budget will reduce this needed budget flexibility? Please explain.
13. In estimating Federal receipts and outlays for future years, the economic assumptions underlying the estimates must be clearly specified. The accuracy of the economic assumptions is reduced by the longer lead time for the two-year period. What do you believe will be the effect of an additional year of economic forecasting?
14. Under the annual budget process, a new Administration has only a few very short weeks to incorporate their estimates and revisions into an annual budget that will start the following October. But in another twelve months they have a second chance to introduce better thought-out and fine-tuned proposals. If a biennial budget process is enacted, what form do you believe it will take and why:
- a. Funding for two fiscal years in a single year budget process
- b. One year for the authorization process and the second year for the appropriations process
- c. Other

**Appendix C: Congressional Staff Interviewees**

Patrick Bogenberger, Defense Analyst, House Budget Committee.

Douglas M. Cook, Defense Analyst, Senate Budget Committee.

Richard Doyle, Defense Analyst, Senate Budget Committee.

Jonathan Etherton, Professional Staff Member, Senate Armed Services Committee.

Robert Foelber, Defense Analyst, Congressional Research Service.

Robert F. Hale, Assistant Director, National Security Division, Congressional Budget Office.

Carol Hartwell, Senior Analyst, Senate Budget Committee.

G. William Hoagland, Staff Director, Senate Budget Committee.

Charles Houy, Professional Staff Member, Senate Appropriations Committee.

Dave Kilian, Staff Assistant, House Appropriations Committee.

Rudy de Leon, Professional Staff Member, House Armed Services Committee.

David S. Lyles, Professional Staff Member, Senate Armed Services Committee.

Alice Maroni, National Defense Specialist, Congressional Research Service.

Roy Meyers, Budget Process Unit, Congressional Budget Office.

Michael A. Miller, Chief, Defense and International Affairs, Cost Estimates Unit, Congressional Budget Office.

Rebecca Schmidt, Defense Analyst, House Budget Committee.

Appendix D: Interviewees' Ideas on a Biennial Budget  
Timetable and Other Suggested Solutions

Interviewees Descriptions of a Biennial Budget Timetable

1. Funding for two fiscal years in a single year's budget process; oversight in the second year; supplementals in the second year, only if an emergency (8)
2. Two-year budget resolution and authorization bill and an annual appropriation bill; oversight in the second year for the authorization committees (6)
3. Authorization performed in the first year; appropriation performed in the second year (1)
4. Don't know (1)

Other Suggested Solutions

1. Milestone Budgeting (4)

Milestone budgeting is a new method of funding under study by the Congress to replace, at least partially, the annual budget process for the research and development (R&D) and procurement of weapons systems. Under the legislation that authorized the milestone approach, the Congress could approve up to five years of program funding in advance. Milestone budgets would be based on program estimates established at the development and production milestones that occur during the weapons acquisition process... Unless problems arose, the Congress would not again review program authorization--and perhaps appropriation--until the next milestone or until five years had elapsed (22:v1)

2. Joint Resolution (3)

A joint resolution requires the approval of both Houses of Congress and the signature of the President, just as a bill does, and has the force of law if approved. There is no real difference between a bill and a joint resolution. The latter is generally used in dealing with limited matters, such as a single appropriation for a specific purpose (19:147).

Note: The number in parentheses indicates the number of times that a particular response occurred.

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## VITA

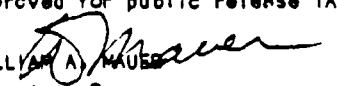
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This research analyzed a federal biennial budget process from a congressional viewpoint. The thesis examined the reasons for considering the adoption a biennial budget process and explored possible advantages and disadvantages associated with a biennial budget process.

A literature search was performed to outline the budget process prior to consideration of a biennial budget process, to determine the original purpose and support for the requirement of a biennial budget submission, and to describe some of the alleged advantages and disadvantages associated with a biennial budget process. A structured interview questionnaire was developed from the information gathered during the literature review. Experts in the field were identified and interviews arranged with the assistance of the Air Force Legislative Liaison Office. A total of 16 interviews were conducted over a five day period in Washington, DC during May 1988. The informed opinions of the committee staffers and defense analysts involved in the spending portions of the federal budget process were used to indicate the congressional viewpoints on federal biennial budgeting.

Analysis of the interviews resulted in several interesting conclusions:

1. The interviewees were not aware of the specific impacts on budget execution caused by the funding delays biennial budgeting was attempting to correct.
2. The interviewees were not certain that biennial budgeting would correct the two major causes of the budget delays (as ranked in the research).
3. The interviewees were not certain that the expected advantages and disadvantages of biennial budgeting would be realized.

As a result of this analysis, recommendations are made that further research is appropriate to determine what specific impacts are caused by funding delays and the exact cause of the funding delays.

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